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OF COUNSEL
URBAN A. LESTER

February 17, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three (3) copies of a Security Agreement, dated as of February 13, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated
3301 Rider Trail South
Earth City, Missouri 63045

Secured Party: Nissho Iwai American Corporation
1211 Avenue of the Americas
New York, New York 10036

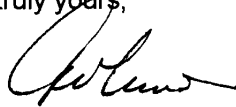
A description of the railroad equipment covered by the enclosed documents is attached as Exhibit A to the Security Agreement.

Mr. Vernon A. Williams
February 17, 1995
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return two stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'R. Alvord', written in dark ink.

Robert W. Alvord

RWA/bg
Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

2/17/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of
the Interstate Commerce Act, 49 U.S.C. 11303, on 2/17/95 at 9:20AM, and
assigned recordation number(s). 19244.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

(0100529009)

\$ 1.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

19244
RECORDATION NO. FILED 1995

FEB 17 1995 11:32 AM

SECURITY AGREEMENT

SECURITY AGREEMENT dated as of February 13, 1995 (the "Security Agreement") between ACF Industries, Incorporated, a New Jersey corporation (the "Debtor"), and Nissho Iwai American Corporation, a New York corporation (the "Secured Party"), parties to the Term Loan Agreement dated of even date herewith, as the same may be amended, modified or supplemented from time to time (the "Loan Agreement").

RECITALS

A. Pursuant to Section 5 of the Loan Agreement and subject to conditions therein set forth, the Secured Party has agreed to make a loan to the Debtor in the principal amount of \$10,000,000.00 (the "Term Loan").

B. The principal of and interest on the Term Loan and all additional amounts and other sums at any time due and owing from or required to be paid by Debtor under the terms of the Loan Agreement or the other Loan Documents, the Note of the Debtor issued pursuant thereto or this Security Agreement are hereinafter sometimes referred to as "indebtedness hereby secured."

Section 1. DEFINITIONS

1.01. Terms defined in the preamble hereof shall have their respective meanings when used herein and as used herein and the following terms shall have the meanings herein specified unless the context otherwise requires. Capitalized terms used but not defined here shall have the meanings assigned to them in the Loan Agreement. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"AAR Value" shall mean, as to each Item of Equipment, the assigned value as set forth in the appraisal of the Equipment dated as of January 31, 1995, by LTK Management Services. As to Replacement Units, "AAR Value" shall mean the settlement value of Rolling Stock determined pursuant to Rule 107 Damaged and/or Destroyed Cars (or a successor rule) of the AAR as published in the most recent edition of Field Manual of the AAR Interchange Rules (or a successor publication).

"Cash Collateral Security Account" shall have the meaning specified in Section 5.02 (a)(A).

"Casualty Date" shall have the meaning specified in Section 5.02 (a).

"Casualty Loss" shall have the meaning specified in Section 5.02(a).

"Casualty Loss Proceeds" shall have the meaning specified in Section 5.02(a).

"Equipment" shall have the meaning specified in Section 2.02 hereof.

"Equipment Leases" shall have the meanings specified in Section 2.03 hereof.

"Equipment Lease Proceeds" shall have the meaning specified in Section 2.03 hereof.

"ICA" shall mean the Interstate Commerce Act, as amended.

"ICC" shall mean the Interstate Commerce Commission.

"Item of Equipment" shall have the meaning specified in Section 2.02 hereof.

"Lien" shall have the meaning specified in Section 3.03 hereof.

"Permitted Lien" shall have the meaning specified in Section 3.03 hereof.

"Replacement Unit" shall have the meaning specified in Section 5.02(a) hereof.

"Rolling Stock" shall mean standard gauge railroad rolling stock, other than passenger equipment or work equipment, used or intended for use in connection with interstate commerce; excluding, however, railroad rolling stock scrapped or intended to be scrapped.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York unless otherwise specified.

Section 2. SECURITY

2.01. Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of and

interest on the Note according to its tenor and effect, and to secure the payment of all other indebtedness hereby secured, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including any extensions or renewals thereof, and the performance and observance of all covenants and conditions contained in this Security Agreement and the other Loan Documents, does hereby grant to the Secured Party, its successors and assigns, a lien on and security interest in all of the Debtor's rights, title and interest in and to the properties, rights, interests and privileges described in Sections 2.02 through 2.05 hereof (all of which properties are hereinafter collectively referred to as the "Collateral Security").

2.02. Equipment Collateral Security. Collateral Security includes certain railroad tank cars and covered hopper cars described on Exhibit A hereto (collectively the "Equipment" or "Items of Equipment" and each individually an "Item of Equipment"), together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income and profits therefrom.

2.03. Rental Collateral Security. Collateral Security also includes, subject to Section 4 hereof, each and every lease relating to the Equipment but to and only to the extent relating to the Equipment, including renewals and replacements of such leases (each such portion of such lease being an "Equipment Lease"), and all payments due and to become due under any Equipment Lease, whether as contractual obligations, damages or otherwise to the extent such payments relate to the Equipment (the "Equipment Lease Proceeds"). Any replacement leases with respect to Equipment upon the expiration or other termination of any Equipment Lease shall be entered into only after notice to the Secured Party and only with lessees acceptable to the Secured Party, in its reasonable discretion.

The Secured Party shall be entitled to collect and receive the Equipment Lease Proceeds only upon the occurrence of and during the continuance of an Event of Default.

2.04. Cash Collateral Security Account. Collateral Security also includes the Cash Collateral Security Account, as defined in Section 5.02, all amounts from time to time on deposit therein and all investments made with the proceeds thereof.

2.05. Proceeds. Collateral Security also includes all proceeds of the property described in Sections 2.02 through 2.04.

Section 3. COVENANTS AND WARRANTIES OF THE DEBTOR

The Debtor covenants, warrants and agrees with the Secured Party until the Term Loan is paid in full that:

3.01. Debtor's Duties. The Debtor shall perform, abide by and be governed by each and all of the terms, provisions, covenants and agreements set forth in this Security Agreement and the other Loan Documents and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, covenants, amendments or supplements thereto were fully set out in an amendment or supplement to this Security Agreement.

3.02. Maintenance. The Debtor shall maintain and keep or cause to be maintained and kept each Item of Equipment (x) in compliance with Applicable Law, (y) in accordance with standards no less than prudent industry standards and (z) in good condition and repair, except for ordinary wear and tear in the normal course of business, in all cases at its or the lessee's own cost and expense, unless and until such Item of Equipment shall become the subject of a Casualty Loss as defined in Section 5.02. The Debtor shall not in any way alter, or permit any lessee under an Equipment lease to alter, the physical structure of any Item of Equipment without the approval in writing of the Secured Party, except in the ordinary course of business.

3.03. Ownership; Preservation of Collateral Security. The Debtor is the owner of all the Collateral Security and on the Closing Date owns the Collateral Security free and clear of all Liens (except this security interest), and there are no financing statements covering same on file at any public office. The Debtor will warrant and defend the title to the Collateral Security against all claims and demands of all third persons or persons claiming by, through or under the Debtor. The Debtor will not create, assume or suffer to exist any Lien on the Collateral Security other than Permitted Liens (as hereinafter defined) and shall promptly take such action as is reasonably necessary to remove any Lien that is not a Permitted Lien. As used herein, "Lien" shall mean any mortgage, pledge, lease, conditional sale, title retention agreement, security interest, encumbrance, lien or charge of any kind. As used herein, "Permitted Liens" shall mean (a) the Lien created by this Security Agreement in the Collateral Security; (b) the Lien of taxes, assessments or governmental charges or levies which are not at the time delinquent; (c) mechanics', materialmen's, suppliers', warehousemen's and similar Liens for services or materials for which payment is not overdue or the payment of which is being contested in good faith by appropriate proceedings; provided, however, that such proceeding shall suspend the collection of such amounts and the security interest in the Collateral Security or any part thereof would not be adversely

affected or forfeited during the period of such contest; or (d) the Equipment Leases.

3.04. Further Assurances. The Debtor will, at its expense, do, execute, acknowledge and deliver all further acts, deeds, conveyances, transfers and assurances (i) necessary or (or in the reasonable judgment of the Lender) advisable for the first priority perfection of the security interest in the Collateral Security, whether now owned or hereafter acquired, with the ICC and appropriate state and local filing offices as provided herein or (ii) as the Secured Party may reasonably request in order to effectuate the intent of the Loan Documents.

3.05. Recordation and Filing. The Debtor will maintain the Lender's Lien on the Collateral Security as a first priority perfected Lien and will cause this Security Agreement and any supplements hereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party with the ICC and appropriate state and local filing offices in order to fully preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of any supplement to this Security Agreement opinions of counsel for the Borrower, which opinions shall cover the matters set forth in paragraphs (f), (g) and (h) of Exhibit 4(g) to the Loan Agreement.

3.06. Power of Attorney. The Debtor does hereby irrevocably constitute and appoint the Secured Party, upon the occurrence and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to (i) perform any obligations of the Debtor under the Loan Documents which have not been performed by the Debtor when due and/or (ii) ask, demand, collect, receive, receipt for and sue for any and all Equipment Lease Proceeds with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and/or (iii) file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such Equipment Lease Proceeds and the security intended to be afforded hereby.

3.07. Use. Except when the Equipment is subject to an Equipment Lease, Debtor shall assure that the Equipment is used in compliance with Applicable Law and that the Equipment is located in the United States or Canada, and at all other times Debtor shall use all reasonably commercial efforts to cause the lessees under the Equipment Leases to comply with all Applicable Law and assure that the Equipment is located in the United States or Canada.

3.08. Label. The Debtor shall cause the Equipment at all times to be kept numbered with its identifying number set forth on Exhibit A hereto. If at any time Applicable Law changes such that a label or plate on an Item of Equipment disclosing the existence of the Lien of this Security Agreement thereon would be necessary to preserve or protect the perfection or priority of such Lien, the Debtor will thereafter keep and maintain on each such Item of Equipment a plain and conspicuous plate or stencil upon each side in letters not less than one inch in height as follows: "SUBJECT TO A LIEN RECORDED UNDER SECTION 11303 OF THE INTERSTATE COMMERCE ACT".

Section 4. SPECIAL PROVISIONS CONCERNING LEASES

Until the occurrence and continuance of an Event of Default, Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Equipment Leases, including, without limitation, the right to receive any and all monies due or to become due under the Equipment Leases, and to retain all copies (original or duplicates) of Equipment Leases. The Secured Party shall have the right to inspect all Equipment Leases from time to time and mark same with the following language:

"The rights and interests of ACF Industries, Incorporated under this Lease and all amendments, and riders hereto relating to certain railcars listed herein, and in such railcars, have been assigned to one or more banks or other financial institutions listed on the page or pages at the end of this Lease and are subject to a first priority perfected security interest in favor of such banks or other institutions. To the extent that this Lease constitutes chattel paper, no security interest in this Lease may be created or perfected through the transfer or possession of this counterpart."

The Secured Party shall also have the right from time to time to mark on the page or pages at the end of the Equipment Leases describing the Equipment in which Secured Party has interests hereunder notations of Secured Party's interests in the Collateral Security and Secured Party shall have the right from time to time to periodically audit the lease records of Debtor as to the status of the Equipment and Equipment Leases.

Section 5. COLLATERAL SECURITY

5.01. Possession of Collateral Security. So long as no Event of Default has occurred and is continuing, the Debtor and each lessee party to an Equipment Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral Security, including without limitation the Equipment Lease itself, and to manage, operate and use the Collateral Security and each part thereof with the rights and franchises pertaining to the Collateral Security.

5.02. Casualty Loss; Insurance Proceeds.

(a) In the event that at any time any Item of Equipment is destroyed, lost, stolen, irreparably damaged or missing for a period in excess of ninety (90) days, taken by any governmental entity (including without limitation by condemnation, confiscation, requisition, taking of title or (for a period of twelve months) use by any governmental entity or otherwise becomes unusable in the business of the Debtor, or the Equipment Lease with respect to any Item of Equipment has terminated or expired for any reason and such Item of Equipment has not become subject to another Equipment Lease (the text of which and the lessee under which have been approved by Lender, which approval shall not be unreasonably withheld) within seventy-five (75) days following such termination or expiration (in each case, a "Casualty Loss"), the Debtor shall inform the Secured Party of the Casualty Loss within 10 days of the date that the Debtor first has knowledge that a Casualty Loss has occurred with respect to any Item of Equipment (any such occurrence (and, in the case of an Equipment Lease termination or expiration, such 75th day) being hereinafter called a "Casualty Date"). So long as a Casualty Loss is outstanding with respect to less than five (5) Items of Equipment, Borrower shall only have the obligation provided in the preceding sentence. When a Casualty Loss has occurred with respect to a fifth Item of Equipment, at the option of the Debtor, within forty-five (45) days after the Casualty Date for such fifth Item of Equipment, the Debtor shall either:

(i) deposit into the Cash Collateral Security Account in respect of each Item of Equipment which has become a Casualty Loss an amount in U.S. dollars (as to each such Item, the "Casualty Loss Proceeds") equal to the product of the outstanding principal amount of the Term Loan multiplied by a fraction, the numerator of which is the AAR Value of the specific Items of Equipment subject to such Casualty Losses and the denominator of which is the aggregate AAR Value of all Items of Equipment (it being understood Debtor is entitled to any proceeds, whether in respect of insurance proceeds, condemnation awards or other amounts to the extent in excess of the dollar amount of Casualty Loss Proceeds payable in respect of such Items of Equipment), or

(ii) replace such Items of Equipment with replacement units of Rolling Stock (the "Replacement Units") which satisfy the following requirements: (A) such Replacement Units are of the same type as the Items being replaced, (B) such Replacement Units have an AAR Value, in the aggregate, and utility at least equal to, and are in as good condition as, the Items of Equipment being replaced immediately prior to such Casualty Loss (assuming that such Items of Equipment were then in the condition required to be maintained by Section 3.02 hereof), (C) such Replacement Units are free and clear of all Liens other than Permitted Liens and (D) such Replacement Units are subject to leases to lessees unaffiliated with Debtor, which leases and lessees have been approved in advance by Secured Party, which approval shall not be unreasonably withheld.

Notwithstanding the foregoing, if, during such 45 day period, any Item of Equipment subject to a terminated or expired Equipment Lease is subjected to a lease to a lessee (which lease and lessee have been approved in advance by Secured Party, which approval shall not be unreasonably withheld), such Item of Equipment shall be deemed not to have suffered a Casualty Loss for the purposes of this paragraph (a). Each time the Debtor complies with this paragraph (a) (with respect to all Items of Equipment which have been subject to a Casualty Loss) after the number of Items of Equipment suffering Casualty Losses equals or exceeds five (5), Debtor shall not be required to again comply with the second preceding sentence until a Casualty Loss is outstanding with respect to five (5) or more Items of Equipment. If and at such time as Debtor complies with either clause (i) or (ii) with respect to any Item of Equipment, the Secured Party shall execute and deliver to Debtor, at Debtor's expense, all documents and instruments, and shall take such other action, as Debtor shall reasonably request, to release the Secured Party's security interest in such Item of Equipment and any related Equipment Lease and Debtor shall be entitled to receive and retain, free of the Secured Party's security interest, all proceeds paid by any party on account of the Casualty Loss, including, without limitation, insurance proceeds and payments from railroads and lessees (and if any of such proceeds are received by the Secured Party, the Secured Party shall promptly deliver same to Debtor).

(b) In the event that Items of Equipment have been the subject of a Casualty Loss and the Debtor, in consequence thereof, has elected to satisfy the requirements of subsection (a)(i) of this Section 5.02:

(i) All Casualty Loss Proceeds shall be deposited by the Secured Party into a special cash collateral account (the "Cash Collateral Security Account") at Bankers Trust Company, 1 Bankers Trust Plaza, 20th Floor, New York, New York 10015 or such other bank designated by Debtor and reasonably acceptable to the Secured Party, in the name of the Debtor but under the sole control and

dominion of the Secured Party, for so long as, but only so long as, the Security Agreement shall be in full force and effect;

(ii) All amounts from time to time on deposit in the Cash Collateral Security Account shall, so long as no Event of Default shall have occurred and be continuing, be invested by the Secured Party at the direction of Debtor in certificates of deposit at Bankers Trust Company, 1 Bankers Trust Plaza, 20th Floor, New York, New York 10015 or such other bank designated by Debtor and reasonably acceptable to the Secured Party, with such maturities as Debtor shall request (but not later than when needed to pay amounts due under the Note); and

(iii) Except as otherwise provided herein, amounts on deposit in the Cash Collateral Security Account shall not be released by the Secured Party except to the extent that all or any part of such amount is to be applied, at the option of Debtor, to prepay, in whole, the Term Loan.

(c) In the event that Items of Equipment have been the subject of a Casualty Loss and the Debtor in consequence thereof has elected to satisfy the requirements of subsection (a)(i) of this Section 5.02, the Debtor may at any time thereafter, upon prior written notice to the Secured Party, substitute Replacement Units as provided in subsection (a)(ii) of this Section 5.02 and withdraw the monies deposited in the Cash Collateral Security Account in respect of such Items of Equipment which had been the subject of a Casualty Loss, and interest earned thereon, in respect of which the Debtor had initially satisfied the requirements of subsection (a)(i) of this Section 5.02.

(d) Upon the occurrence and during the continuance of any Event of Default, all Casualty Loss Proceeds and all amounts in the Cash Collateral Security Account shall be paid to the Secured Party and applied by the Secured Party as specified in Section 6.03.

(e) So long as no Event of Default shall have occurred and be continuing, upon the request of Debtor, the Secured Party shall take such actions as may be requested by the Debtor in order to release, and shall execute and deliver releases in a form reasonably satisfactory to Debtor releasing (i) all the Secured Party's interest in and to any Item of Equipment, and (ii) such Item of Equipment from the Lien of this Security Agreement; provided, however, that no Item of Equipment shall be so released unless simultaneously there shall be subject to the Lien of this Agreement and the interest of the Secured Party Replacement Units subject to leases with the Debtor (which Replacement Units and lessees have been approved by Secured Party as provided in Section 5.02(d)) having an

aggregate AAR Value as of the date of release (which AAR Value shall be certified to by an officer of Debtor) not less than the AAR value of any Item or Items of Equipment to be so released. The foregoing shall not be deemed in any way to limit the Debtor's right to purchase or substitute any Replacement Unit in the event of a Casualty Loss or Casualty Losses pursuant to this Section 5.02.

Section 6. SECURED PARTY'S RIGHTS

6.01. The Secured Party's Rights. The Debtor agrees that when any Event of Default has occurred and is continuing, subject to the rights, if any, of the lessee of the Equipment, the Secured Party shall have the rights, options and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the UCC (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), and the Secured Party shall in addition have the following rights and remedies:

(a) The Secured Party may, by notice in writing to the Debtor, declare the entire unpaid balance of the Note to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral Security, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the Collateral Security, or use and operate or lease the Collateral Security until sold. Each Item returned to the Secured Party pursuant to this Section 6.01 shall (i) be in the same operating order, repair and condition as when originally delivered to the Debtor (ordinary wear and tear excepted) and of the same DOT class and capable of carrying the same or similar commodity as carried immediately prior to such return, (ii) meet the standards then in effect for railroad equipment of the same type and age as the Equipment under the AAR Interchange Rules and/or the applicable rules of any governmental agency or other organization with jurisdiction, (iii) have been maintained in accordance with provisions of Section 3.02 hereof, (iv) have any lining remaining therein in a condition satisfactory to carry the commodity carried by such Item immediately prior to the return of such Item hereunder and (v) have had removed or painted over any name, logo or other special markings of the Debtor or any lessees in a workman-like manner.

(c) The Secured Party may, subject to compliance with any mandatory legal requirements, either with or without taking possession and either

before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral Security, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral Security or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder or holders of the Note, or of any interest therein, may bid and become the purchaser at any such sale;

(d) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Equipment Leases, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party, including the right to require the lessees under the Equipment Leases to make all payments under the Equipment Leases directly to the Secured Party by sending to such lessees the letter from the Debtor to the lessees in the form of Exhibit B hereto, executed copies of which have been provided to the Secured Party on the date hereof;

(e) Any Collateral Security repossessed by the Secured Party under or pursuant to this Section 6.01 may be leased, stored or otherwise disposed of, and the Secured Party may operate, use or exercise any rights of ownership pertaining to the Collateral Security as the Secured Party deems necessary to preserve the value and receive the benefits of the Collateral Security.

(f) The Secured Party may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement contained in a Loan Document or in execution or aid of any power therein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral Security or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other legal or equitable remedy available under Applicable Law.

(g) The Debtor hereby waives all claims against the Secured Party for damages by reason of any seizure, repossession, retention, operation, use or sale of the Collateral Security, except if caused by the gross negligence or wilful misconduct of the Secured Party. While exercising its rights as a secured party hereunder, including operation, use and receipt of benefits from the Collateral Security, the Secured Party shall not be liable in any fashion to the Debtor or any

third party (including without limitation Debtor's employees, invitees, customers and suppliers) for any damages arising from such operation and use, or any obligations, duties or liabilities of Debtor in connection therewith, except if caused by the gross negligence or wilful misconduct of the Secured Party.

(h) In case of any sale of the Collateral Security, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Note, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Note held by such purchaser, including principal and interest thereof, out of the net proceeds of such sale.

(i) The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Security Agreement, and upon application to any court of equity having jurisdiction in the premises, the Secured Party shall be entitled to a decree against the Debtor requiring specific performance of the covenants of the Debtor requiring specific performance of the covenants of the Debtor so to assemble, deliver, store and transport the Equipment.

In addition, if the Secured Party so requests, the Debtor shall forthwith deliver possession of the Equipment to the Secured Party in the condition specified in the last sentence of this paragraph. For the purpose of delivering possession of any Item of Equipment to the Secured Party as above required, the Debtor shall at its own expense and risk (except as hereinafter stated):

(x) Forthwith place such Equipment upon such storage tracks of the Debtor or any of its affiliates or, at the expense of the Debtor, on any other storage tracks, as the Secured Party may designate or, in the absence of such designation, as the Debtor may select;

(y) Permit the Secured Party to store such Equipment on such tracks without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Secured Party and during such period of storage the Debtor shall continue to maintain all insurance required by the Loan Agreement; and

(z) Transport the Equipment to any place in the United States on any lines of railroad or to any connecting carrier for shipment, all as the Secured Party may direct in writing.

6.02. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all Persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

6.03. Application of Sale Proceeds. The proceeds of any sale of the Collateral Security, or any part thereof, and the proceeds of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses incurred in connection with the retaking, removing, holding, restoration to saleable condition, keeping, storing, operating, using, advertising and selling the Collateral Security, and of all expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party;

(b) Second, to the payment of the amount then owing or unpaid on the Term Loan for principal and interest and any other amounts then owing under the Loan Documents in respect of the Term Loan; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Term Loan, then first to amounts due other than interest and principal on the Note, second, to unpaid principal, and third, to unpaid interest thereon, it being understood that Debtor shall remain liable to the Secured Party to the extent of any deficiency between the amount of the proceeds of such disposition and the aggregate amount of the sums referred to in clauses (a) and (b) of this Section 6.03; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

6.04. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and Secured Party shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.05. Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

6.06. Waiver by Debtor. To the extent permitted by Applicable Law, the Debtor covenants that, upon the occurrence of an Event of Default, it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage or, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral Security or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any Applicable Law now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every Person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral Security or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

Section 7. MISCELLANEOUS

7.01. Successors and Assigns. The rights, duties and obligations of the Debtor hereunder may not be assigned or otherwise transferred without the prior written consent of the Secured Party. The rights, duties and obligations of the Secured Party hereunder may be assigned or transferred to any Person

receiving an assignment of the Note, without the consent of the Borrower. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective permitted successors and assigns of such parties.

7.02. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.03. Communications. All notices and communications provided for herein shall be in writing and shall be deemed to have been given when given as set forth in Section 7(c) of the Loan Agreement.

7.04. Termination. This Security Agreement and the security interest granted hereby shall terminate when the Term Loan has been fully paid or discharged and when all other amounts owing to the Secured Party under the Loan Documents have been paid in full, at which time the Secured Party shall execute and deliver to the Debtor at the Debtor's request and expense all UCC termination statements and such similar documents or proper instrument or instruments in appropriate form for filing with the ICC and the Registrar General of Canada which the Debtor shall request to evidence such termination and the release from the Lien created hereby on the Collateral Security. Upon the termination of this Security Agreement, all amounts in the Cash Collateral Security Account shall be under the sole dominion and control of the Debtor.

7.05. GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE; PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. SECTION 11303 AND SUCH ADDITIONAL RIGHTS, ARISING OUT OF THE FILING, RECORDING OR DEPOSIT HEREOF, IF ANY.


7.06. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.07. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall

not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor and the Secured Party have
executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED

By: 
Title: Treasurer

NISSHO IWAI AMERICAN CORPORATION

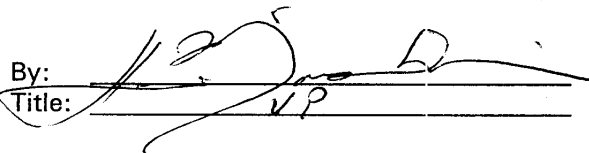
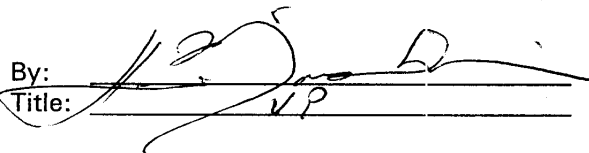
By: _____
Title: _____

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED

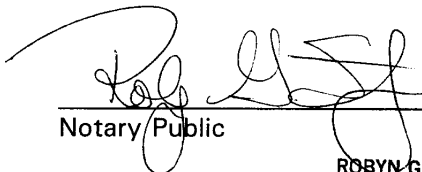
By: _____
Title: _____

NISSHO IWAI AMERICAN CORPORATION

By:  _____
Title:  _____

STATE OF New York,
COUNTY OF New York: ss.:

On this 14th day of February, 1995, before me, personally appeared Robert J. Mitchell, to me personally known, who being by me duly sworn, says that he/she resides at Woodbury NY and is Treasurer of ACF Industries, Incorporated, that the foregoing instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

ROBYN G. STEINBERG
Notary Public, State of New York
No. 01ST5026264
Qualified in New York County
Commission Expires April 18, 1996

(SEAL)

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this ____ day of February, 1995 before me, personally appeared _____, to me personally known, who being by me duly sworn, says that he resides at _____ and is _____ of Nissho Iwai American Corporation, that the foregoing instrument was signed on behalf of said association on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Notary Public

(SEAL)

STATE OF)
 :
COUNTY OF) ss.:


On this ____ day of February, 1995, before me, personally appeared _____, to me personally known, who being by me duly sworn, says that he/she resides at _____ and is _____ of ACF Industries, Incorporated, that the foregoing instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(SEAL)

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK) ss.:

On this 15th day of February, 1995 before me, personally appeared H. Morishima, to me personally known, who being by me duly sworn, says that he resides at Sewickley, NY and is V.P. of Nissho Iwai American Corporation, that the foregoing instrument was signed on behalf of said association on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Notary Public

(SEAL)

SCOTT DOUGLAS PORTER
Notary Public, State of New York
No. 4850266 Qual. in Westchester Co.
Certificate Filed in New York County
Commission Expires April 30, 1995

13-Feb-95

Exhibit A

RPTG MARK	CAR NO	AAR CODE
ACFX	39330	C714
ACFX	39331	C714
ACFX	39332	C714
ACFX	39333	C714
ACFX	39334	C714
ACFX	39335	C714
ACFX	39336	C714
ACFX	39337	C714
ACFX	39338	C714
ACFX	39339	C714
ACFX	39340	C714
ACFX	39341	C714
ACFX	39473	C614
ACFX	39492	C214
ACFX	39493	C214
ACFX	39494	C214
ACFX	39495	C214
ACFX	39496	C214
ACFX	39497	C214
ACFX	39498	C214
ACFX	39499	C214
ACFX	39500	C214
ACFX	39501	C214
ACFX	39502	C214
ACFX	39503	C214
ACFX	39504	C214
ACFX	39505	C214
ACFX	39506	C214
ACFX	39507	C214
ACFX	39508	C214
ACFX	39509	C214
ACFX	39510	C214
ACFX	39511	C214
ACFX	39512	C214
ACFX	39513	C214
ACFX	39514	C214
ACFX	39515	C214
ACFX	39516	C214
ACFX	39517	C214
ACFX	39518	C214
ACFX	39519	C214
ACFX	39520	C214
ACFX	39521	C214
ACFX	39522	C214
ACFX	39523	C214
ACFX	39524	C214
ACFX	39525	C214
ACFX	39526	C214
ACFX	39527	C214
ACFX	39528	C214
ACFX	39529	C214

13-Feb-95

Exhibit A

RPTG MARK	CAR NO	AAR CODE
ACFX	39530	C214
ACFX	39531	C214
ACFX	39532	C214
ACFX	39533	C214
ACFX	39534	C214
ACFX	39535	C214
ACFX	39536	C214
ACFX	39538	C214
ACFX	39539	C214
ACFX	39540	C214
ACFX	39541	C214
ACFX	39542	C214
ACFX	39543	C214
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ACFX	39545	C214
ACFX	39546	C214
ACFX	39547	C214
ACFX	39548	C214
ACFX	39549	C214
ACFX	39550	C214
ACFX	39551	C214
ACFX	39552	C214
ACFX	39565	C214
ACFX	39567	C214
ACFX	39568	C214
ACFX	39569	C214
ACFX	39570	C214
ACFX	39571	C214
ACFX	39643	C214
ACFX	39647	C214
ACFX	39648	C214
ACFX	40481	C214
ACFX	40482	C214
ACFX	40483	C214
ACFX	40484	C214
ACFX	40485	C214
ACFX	40486	C214
ACFX	40487	C214
ACFX	40488	C214
ACFX	40489	C214
ACFX	40490	C214
ACFX	40491	C214
ACFX	40492	C214
ACFX	40493	C214
ACFX	40494	C214
ACFX	40495	C214
ACFX	40496	C214
ACFX	40497	C214
ACFX	40498	C214
ACFX	40499	C214
ACFX	40500	C214

13-Feb-95

Exhibit A

RPTG MARK	CAR NO	AAR CODE
ACFX	40501	C214
ACFX	40502	C214
ACFX	40503	C214
ACFX	40504	C214
ACFX	40505	C214
ACFX	40506	C214
ACFX	40507	C214
ACFX	40508	C214
ACFX	40509	C214
ACFX	40510	C214
ACFX	40511	C214
ACFX	40512	C214
ACFX	40513	C214
ACFX	40514	C214
ACFX	40515	C214
ACFX	40516	C214
ACFX	40517	C214
ACFX	40518	C214
ACFX	40519	C214
ACFX	40520	C214
ACFX	40521	C214
ACFX	40522	C214
ACFX	40523	C214
ACFX	40524	C214
ACFX	40525	C214
ACFX	40526	C214
ACFX	40527	C214
ACFX	40528	C214
ACFX	40529	C214
ACFX	40530	C214
ACFX	40531	C214
ACFX	40532	C214
ACFX	40533	C214
ACFX	40534	C214
ACFX	40535	C214
ACFX	40536	C214
ACFX	40537	C214
ACFX	40538	C214
ACFX	40539	C214
ACFX	40540	C214
ACFX	40541	C214
ACFX	40542	C214
ACFX	40543	C214
ACFX	40544	C214
ACFX	40545	C214
ACFX	40546	C214
ACFX	40547	C214
ACFX	40548	C214
ACFX	40549	C214
ACFX	40550	C214
ACFX	40551	C214

13-Feb-95

Exhibit A

RPTG MARK	CAR NO	AAR CODE
ACFX	40552	C214
ACFX	40553	C214
ACFX	40554	C214
ACFX	40555	C214
ACFX	40556	C214
ACFX	40557	C214
ACFX	40558	C214
ACFX	40559	C214
ACFX	40560	C214
ACFX	40561	C214
ACFX	40562	C214
ACFX	40563	C214
ACFX	40564	C214
ACFX	40565	C214
ACFX	40566	C214
ACFX	40567	C214
ACFX	40568	C214
ACFX	40569	C214
ACFX	40570	C214
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ACFX	40582	C214
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ACFX	40584	C214
ACFX	40585	C214
ACFX	40586	C214
ACFX	40587	C214
ACFX	40588	C214
ACFX	40589	C214
ACFX	40590	C214
ACFX	40591	C214
ACFX	40592	C214
ACFX	40593	C214
ACFX	40594	C214
ACFX	40595	C214
ACFX	40596	C214
ACFX	40597	C214
ACFX	40598	C214
ACFX	40599	C214
ACFX	40600	C214
ACFX	51024	C614
ACFX	51025	C614

13-Feb-95

Exhibit A

RPTG MARK	CAR NO	AAR CODE
ACFX	51026	C614
ACFX	51027	C614
ACFX	51028	C614
ACFX	51029	C614
ACFX	51030	C614
ACFX	51031	C614
ACFX	51032	C614
ACFX	51033	C614
ACFX	51034	C614
ACFX	51035	C614
ACFX	51036	C614
ACFX	51037	C614
ACFX	51038	C614
ACFX	51039	C614
ACFX	51040	C614
ACFX	51073	C614
ACFX	51076	C614
ACFX	51077	C614
ACFX	51078	C614
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ACFX	51081	C614
ACFX	51082	C614
ACFX	51083	C614
ACFX	51084	C614
ACFX	51085	C614
ACFX	51086	C614
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ACFX	51088	C614
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ACFX	51091	C614
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ACFX	51093	C614
ACFX	51094	C614
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ACFX	51099	C614
ACFX	51100	C614
ACFX	51101	C614
ACFX	51102	C614
ACFX	51104	C614
ACFX	51105	C614
ACFX	51106	C614
ACFX	51107	C614
ACFX	51108	C614
ACFX	51109	C614
ACFX	51110	C614
ACFX	51111	C614

13-Feb-95

Exhibit A

RPTG MARK	CAR NO	AAR CODE
ACFX	51113	C614
ACFX	51119	C614
ACFX	51176	C614
ACFX	51177	C614
ACFX	51230	C614
ACFX	71141	T104
ACFX	71144	T104
ACFX	71145	T104
ACFX	71146	T104
ACFX	71147	T104
ACFX	71148	T104
ACFX	71149	T104
ACFX	71150	T104
ACFX	71151	T104
ACFX	71152	T104
ACFX	71153	T104
ACFX	71154	T104
ACFX	71155	T104
ACFX	71156	T104
ACFX	71157	T104
ACFX	71158	T104
ACFX	71159	T104
ACFX	71160	T104
ACFX	71195	T107
ACFX	71196	T107
ACFX	71197	T107
ACFX	71201	T107
ACFX	71202	T107
ACFX	71203	T107
ACFX	71204	T107
ACFX	71206	T107
ACFX	71208	T107
ACFX	71212	T107
ACFX	71218	T107
ACFX	71228	T107
ACFX	71240	T107
ACFX	71241	T107
ACFX	71242	T107
ACFX	71243	T107
ACFX	71244	T107
ACFX	71332	T104
ACFX	71333	T104
ACFX	71334	T104
ACFX	71335	T104
ACFX	71336	T104

300 Cars

Exhibit B

Re: Schedule No. _____ to Master Lease or
Car Service Contract Number _____
dated _____, 199__ (the "Lease")
between _____ (the "Lessee")
and ACF Industries, Incorporated
(the "Lessor")

Ladies and Gentlemen:

This is to advise the Lessee that the Lessor has assigned to Nissho Iwai American Corporation (the "Lender") for the ratable benefit of the lenders from time to time parties to that certain Term Loan Agreement dated as of February 13, 1995, between the Lessor and the Lender, all of the Lessor's rights (but not its obligations) under the Lease relating to the railcars set forth on Exhibit A hereto (the "Equipment"), including all rental payments and other sums due and to become due thereunder relating to but only to the Equipment (the "Equipment Lease Payments") and has granted to the Lender a perfected, first priority security interest in the Equipment.

This Notice of Assignment in no way affects the Lessor's obligations under the Lease, which it will continue to perform.

Accordingly, the Lessee is hereby directed to make all Equipment Lease Payments under the Lease directly to the Lender at the following address:

Please acknowledge receipt of this Notice of Assignment by signing it in the space provided and returning the same to the Lender in the self-addressed, stamped envelope enclosed for your convenience.

Dated: _____ ACF INDUSTRIES, INCORPORATED

By: _____
Name:
Title:

[ACF Notice of Assignment]

2/16/95; 4:11pm
24950/1760/SS/72128.2

NISSHO IWAI AMERICAN
CORPORATION

By: _____
Name:
Title:

RECEIPT ACKNOWLEDGED:

(Lessee)

By: _____
Name:
Title: